

\_\_\_ Action  
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**SUBJECT:** 2014 STATE LEGISLATIVE SESSION UPDATE

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**POLICY ISSUE:** The State Legislature addresses a range of policy issues of interest to the City.

**NEEDED FROM COUNCIL:** Council may wish to provide direction to staff regarding particular legislative proposals.

### **BACKGROUND**

When the legislature adjourned on March 13, the focus moved to the Governor's Office, the last step in the process where the budgets and bills passed in the 2014 legislative session were reviewed and acted upon.

#### **Governor's Veto Preserves Funding for the Life Sciences Discovery Fund (LSDF).**

Governor Inslee issued a partial veto on a bill that would have eliminated current and future funding for the Life Sciences Discovery Fund (LSDF). This fund was established by Governor Gregoire and the legislature in 2005 with funding from the 1998 tobacco settlement funds—\$35 million per year from 2008 through 2017—to bolster life sciences research and use that research to create new jobs, support research and development in the state and to promote life science competitiveness and improve health and health care.

The supplemental budget bill transferred \$20 million from the LSDF Account to the Education Legacy Trust Account for the remainder of the biennium. The Governor's veto keeps this funding in the LSDF Account. These grants support product development work of multiple small and startup companies in our area, especially in Bellevue and Redmond. This funding is critical for nonprofit research organizations and startup companies to perform the research and development needed to attract investment to translate innovative technologies from the laboratory to the marketplace.

LSDF grants are also helping drive the innovation that will create the future of health care. Overlake Hospital Medical Center and Group Health Eastside have participated in the Surgical Care and Outcomes Assessment Program, an LSDF-funded initiative that has saved an estimated \$67 million in health-care costs statewide, while saving lives and improving patient

safety. Additionally, an LSDF-funded pilot program that trained Bellevue police officers in cardiac defibrillation has saved several lives in its first few months of operation.

This funding will likely be an issue in the 2015 session. It is in Bellevue's interests to keep funding this important sector. During the interim we will be having conversations with our legislators on how best to keep this funding through 2017.

**McCleary Response Due by April 30.** As you may recall, the state Supreme Court asked the legislature to provide a plan by April 30 outlining how the legislature intends to fund the remainder of the *McCleary* mandate to significantly increase state funding for K-12 education. It is unclear how much K-12 funding needs to be increased by 2018, but \$4 billion seems to be the working assumption—that would be \$4 billion over the next four years. Many legislators have commented recently that they have no idea what this plan will entail, that they may not respond by April 30, or that there may be at least two plans forwarded, one from each party. This is a very important issue that will have a far reaching affect on the state budget over the next several years and could involve potential reductions in state-shared revenues or more unfunded mandates from the state to cities. Staff will keep Council apprised on developments on this issue during the interim.

**No Transportation Revenue Package News.** There has been virtually no news on this front since the legislature adjourned. Senator Curtis King (R-Yakima) suggested late in the session that the legislature convene after the November election and before the 2015 session to pass a package. However, there appears to be little enthusiasm for this path at this time.

**ALTERNATIVES:**

N/A

**RECOMMENDATION:**

N/A